

23-Dec-19

Mail Stop Patent Board
Director of the United States Patent and Trademark Office
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Attn.: Lead Administrative Patent Judge Christopher L. Crumbley
Lead Administrative Patent Judge Susan L. C. Mitchell
PTAB Notice of Proposed Rulemaking 2019

Docket No.: PTO-P-2019-0011

Re: Request for Comments on Rules of Practice to Allocate the Burden of Persuasion on Motions to Amend in Trial Proceedings Before the Patent Trial and Appeal Board

Dear Judges Crumbley and Mitchell:

I write as Juniper Networks, Inc.'s Director of Litigation to express Juniper's view that the burden of persuasion for the patentability of substitute claims presented in motions to amend belongs on the patent owner.

Founded in February 1996 and now employing over 9,000 people worldwide, Juniper's mission is to solve the world's most difficult problems in networking technology. As an innovator, Juniper is proud to hold more than 2,200 United States utility patents. Juniper also believes in protecting the public from the harms of incorrectly-issued patents, and has found IPRs and other post-grant proceedings to be efficient mechanisms for ensuring that our patent system continues to benefit the public and promote innovation.

With this background in mind, Juniper believes that the rule as proposed should be amended to require that the patent owner bear the burden of persuasion for at least four reasons.

First, the statute and regulations applicable to post-grant proceedings support that the patent owner should bear this burden. Section 316(e) places the burden of persuasion for the initially

challenged claims on the movant challenging them, i.e., the petitioner.¹ Similarly, and as 37 C.F.R. § 42.20 requires generally of movants, the burden should be placed on the movant for amendment, i.e., the patent owner. Taken together, this would provide a fair, consistent approach with the relief requested dictating the party that bears the burden of persuasion on patentability.

Second, it is a bedrock litigation principle that the movant—here the patent owner—bears the burden of showing that it is entitled to the requested relief. The Administrative Procedure Act, which governs administrative adjudications including PTO post-grant proceedings, codifies this standard practice.² And as noted, the regulations generally governing PTAB practice and procedure include it, as well.³ The PTO also applies it in other, similar circumstances, including derivation proceedings and the interferences that they replaced.⁴ There is no basis for discarding this building block of litigation practice for motions to amend, particularly given the PTO’s expressed desire to promote consistency across litigation venues.

Third, placing the burden of persuasion on the patent owner will serve the public interest. Congress enacted post-grant proceedings as a more efficient and lower cost alternative to district court litigation. And these proceedings have succeeded in invalidating patents that never should have issued, and thus have given the ideas claimed in those patents back to their rightful owner: the public. But if the rule as promulgated is finalized, petitioners may hesitate to pursue post-grant proceedings due to the unpredictability, delay, and increased costs wrought by motions to amend. To be sure, a motion to amend often moves the goal posts for the petitioner by introducing new claims, which all but restarts the proceeding. The petitioner must then undertake the costs of additional prior art searching, analysis, and briefing. Moreover, patent owners often narrow challenged claims through amendment to a degree that removes or decreases the petitioner’s infringement risk. In such cases, the petitioner may choose not to oppose the motion—a result that 37 C.F.R. § 316(d)(2) specifically encourages—or may

¹ See *Aqua Products, Inc. v. Matal*, 872 F.3d 1290, 1346 (Taranto, J.) (“Section 316(e) may properly be understood to reach only issued claims, which the petitioner necessarily challenged (or else they would not be the subject of the instituted IPR) ...”).

² See 5 U.S.C. § 556(d).

³ See 37 C.F.R. § 42.20.

⁴ See 37 C.F.R. 41.121(b); *Bamberg v. Dalvey*, 815 F.3d 793, 798- 99 (Fed. Cir. 2016) (burden properly placed on patentee to show patentability of amended claims in interferences).

oppose the motion, but only on grounds narrow enough to serve its own interests. Either result does not serve the purpose of ensuring the validity of issued patents.⁵

Fourth, and despite assertions to the contrary by others, placing the burden on the patent owner would not run afoul of the Federal Circuit’s *en banc Aqua Products* decision. As the majority opinion in *Aqua Products* stated, “very little said over the course of the many pages that form the five opinions in this case is precedential.”⁶ And shortly after *Aqua Products* was decided, the PTO issued its “Guidance on Motions to Amend in view of *Aqua Products*,” which recognized the limited precedential effect of the case.⁷ The *Aqua Products* majority’s narrow determination was that, to receive the Court’s deference, the PTO had to undertake formal rulemaking procedures in order to place the burden of persuasion on the patentee.⁸ But even that narrow finding may hold less significance now, as some of the opinion’s rationale heavily relied on the now-discarded broadest reasonable interpretation standard as a filter for substitute claims.⁹ And significantly, a second “majority” of the court, through Judge Taranto’s opinion, agreed that the statute “does not unambiguously bar assigning [the] burden to the patent owner,” and four of those six judges believed the burden should be so assigned.¹⁰

⁵ Assigning the burden of persuasion to the petitioner also calls into question the presumption of validity (35 U.S.C. § 282) in any substitute claims later issued without full examination scrutiny. This is especially true under the circumstances where the petitioner is not interested in, or cannot fund, a robust prior art search on the substitute claims’ scope.

⁶ 872 F.3d at 1327.

⁷ See Guidance, dated November 21, 2017, at 2.

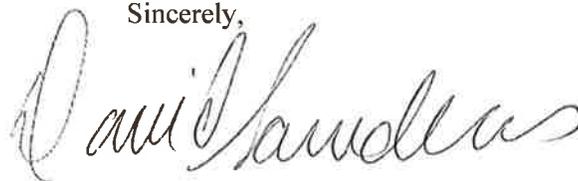
⁸ *Aqua Products*, 872 F.3d at 1327.

⁹ *Id.* at 1298-99.

¹⁰ See *id.* at 1342 (Taranto, J.). Although Judge Taranto’s opinion is styled as a dissent, six of eleven judges on the *en banc* panel joined in the portion of the opinion stating that the statute does not “bar assigning [the] burden to the patent owner.” *Id.*

Juniper appreciates the opportunity to provide its views on this issue, and fully supports the PTO's efforts to improve post-grant procedure to ensure that issued patents cover inventions worthy of protection. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "David Saunders". The signature is written in a cursive style with a large initial "D".

David Saunders
Director, Litigation